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MONTANA LEGISLATIVE HISTORY

Chapter 374 1987

Bill H 253 S _____ Original bill & history ✓ C

H. Committee on Local Gov't.			S. Committee on Local Gov't.		
Hearing Date(s)	_____	___C	Hearing Date(s)	_____	___C
	1/23	✓ C		3/19	✓ C
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	2/2	✓ C	out	3/19	✓

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

1/16	INTRODUCED		
1/16	REFERRED TO LOCAL GOVERNMENT		
1/23	HEARING		
2/02	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/04	2ND READING PASSED	99	0
2/05	3RD READING PASSED	96	0
	TRANSMITTED TO SENATE		
2/10	REFERRED TO LOCAL GOVERNMENT		
3/19	HEARING		
3/20	COMMITTEE REPORT--BILL CONCURRED		
3/24	2ND READING CONCURRED	49	0
3/26	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		
4/01	SIGNED BY SPEAKER		
4/02	SIGNED BY PRESIDENT		
4/02	TRANSMITTED TO GOVERNOR		
4/07	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 374 EFFECTIVE DATE: 10/01/87		

HB 254 INTRODUCED BY THOMAS, ET AL.
REGULATE CANCELLATION OR NONRENEWAL OF PROPERTY AND CASUALTY INSURANCE
BY REQUEST OF JOINT INTERIM SUBCOMMITTEE ON LIABILITY ISSUES

1/16	INTRODUCED		
1/16	REFERRED TO BUSINESS & LABOR		
1/27	HEARING		
1/27	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/29	2ND READING PASSED AS AMENDED	88	8
1/31	3RD READING PASSED	92	2
	TRANSMITTED TO SENATE		
2/02	REFERRED TO BUSINESS & INDUSTRY		
2/13	HEARING		
2/18	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
3/02	2ND READING CONCURRED	47	0
3/04	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE WITH AMENDMENTS		
3/07	2ND READING AMENDMENTS CONCURRED	89	0
3/09	3RD READING AMENDMENTS CONCURRED	97	0
3/11	SIGNED BY SPEAKER		
3/12	SIGNED BY PRESIDENT		
3/12	TRANSMITTED TO GOVERNOR		
3/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 120 EFFECTIVE DATE: 10/01/87		

HB 255 INTRODUCED BY GILBERT
TRANSFER $6 MILLION FROM COAL TAX BOND FUND TO HIGHWAY RECONSTRUCTION TRUST

1/16	INTRODUCED		
1/16	REFERRED TO TAXATION		
1/22	HEARING		
1/27	COMMITTEE REPORT--BILL NOT PASSED		
1/28	ADVERSE COMMITTEE REPORT ADOPTED	75	24

HB 256 INTRODUCED BY PISTORIA, ET AL.
INCREASE AND CREATE FILING FEES IN CIVIL CASES TO

CHAPTER NUMBER 42 EFFECTIVE DATE: 10/01/87

HB 252 INTRODUCED BY HANSON, M., ET AL.
REDUCING COAL SEVERANCE TAX

1/16	INTRODUCED		
1/16	REFERRED TO TAXATION		
1/17	FISCAL NOTE REQUESTED		
1/23	FISCAL NOTE RECEIVED		
1/28	HEARING		
2/13	COMMITTEE REPORT--BILL PASSED		
3/05	2ND READING PASSED AS AMENDED	66	34
3/07	3RD READING PASSED	65	33
	TRANSMITTED TO SENATE		
3/09	REFERRED TO TAXATION		
3/17	HEARING		
3/25	TAKEN FROM COMMITTEE	26	23
3/25	2ND READING CONCURRED	29	20
3/27	3RD READING CONCURRED	30	20
	RETURNED TO HOUSE		
4/01	SIGNED BY SPEAKER		
4/01	SIGNED BY PRESIDENT		
4/01	TRANSMITTED TO GOVERNOR		
4/06	RETURNED TO HOUSE WITH GOVERNOR'S AMENDMENTS		
4/17	2ND READING GOVERNOR'S AMENDMENTS NOT CONCURRED	81	14
	SENATE		
4/20	2ND READING GOVERNOR'S AMENDMENTS CONCURRED	45	5
4/20	3RD READING GOVERNOR'S AMENDMENTS CONCURRED	45	5
	HOUSE		
4/20	FREE CONFERENCE COMMITTEE APPOINTED		
4/21	FREE CONFERENCE COMMITTEE REPORT		
4/21	2ND READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	84	13
4/22	3RD READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	85	13
	SENATE		
4/20	FREE CONFERENCE COMMITTEE APPOINTED		
4/21	FREE CONFERENCE COMMITTEE REPORT		
4/21	2ND READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	46	3
4/22	3RD READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	46	4
4/23	SIGNED BY PRESIDENT		
4/23	SIGNED BY SPEAKER		
4/24	TRANSMITTED TO GOVERNOR		
4/24	SIGNED BY GOVERNOR		

CHAPTER NUMBER 608 EFFECTIVE DATE: 7/01/87

HB 253 INTRODUCED BY REAM, ET AL.
WITHDRAWAL OF TERRITORY FROM URBAN TRANSPORTATION DISTRICT

House BILL NO. 253

INTRODUCED BY Ream, Fox, Driscoll

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE REMOVAL OF TERRITORY FROM AN URBAN TRANSPORTATION DISTRICT UPON PETITION OF 51 PERCENT OF THE QUALIFIED ELECTORS OF SUCH TERRITORY; TO PROVIDE THAT IF THE REMOVED TERRITORY WAS ORIGINALLY ADDED TO THE DISTRICT BY ANNEXATION WITHIN THE PREVIOUS 5 YEARS, SUCH TERRITORY IS NOT SUBJECT TO THE DISTRICT'S CURRENT INDEBTEDNESS; AND AMENDING SECTION 7-14-241, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-14-241, MCA, is amended to read:

"7-14-241. Procedure to enlarge or reduce district. (1) The boundaries of any transportation district may be enlarged or reduced if 51% of the qualified electors of the area to be added to or removed from the existing district sign a petition requesting ~~addition to~~ such ~~district~~ action.

(2) (a) ~~However,--each~~ An addition must be approved by a majority vote of the transportation board.

(b) The removal of territory is effective 60 days after submission of the petition to the transportation board unless within that time it is determined that the petition contains insufficient signatures for removal of territory. An insufficient petition must be returned to the petitioners, who may resubmit it within 90 days.

(3) (a) All property within any addition to the district shall be subject to all existing indebtedness of the district.

(b) Except as provided in subsection (3)(c), property removed from the district is subject to any existing indebtedness of the district.

(c) Property is not subject to the district's existing indebtedness if all of the removed territory is land that was added to the district pursuant to this section within 5 years of the date the petition for removal was submitted to the transportation board."

-End-

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 23, 1987

The meeting of the Local Government Committee was called to order by Chairman Norm Wallin on January 23, 1987, at 1:00 p.m. in Room 312-F of the State Capitol.

ROLL CALL: All members were present. Lee Heiman, Committee Counsel from the Legislative Council was also present.

CONSIDERATION OF HOUSE BILL 253: Rep. Bob Ream, House District 54 and sponsor of the bill, stated HB 253 corrects what he feels is an inequity in the law. In Missoula, they have a relatively new urban transportation system which started in 1979. The original transportation district had basic bus routes with new areas being added by petition. A couple of years ago, a group of people in the Rattlesnake area petitioned to add their area to the bus district. The bus district did initiate service to the area but decided to stop the service after less than a year. The people in the area have been paying taxes ever since.

Rep. Ream stated current statutes provide that an urban transportation district can be created or deleted or by petition areas added, but there is no way to get out once in. The problem was checked through the county attorney and an attorney general's opinion was issued. The Attorney General indicated there was no way an urban transportation district can assess a levy for a portion of a district that is less than any other portion of the district. HB 253 adds a provision that by petition, the qualified electors of an area can add and also remove an area from an existing district.

Rep. Ream stated there were two people from the area present to speak to the issue.

PROPONENTS: Carolyn Hathaway, 1502 Aspen Drive, Missoula, representing one of the two areas impacted by the inequity in the transportation, presented written testimony (Exhibit 1) and also an unofficial petition from other people in the area in support of HB 253 (Exhibit 2). She stated they had tried other avenues and the Attorney General said the only recourse was to go to the legislature to take care of the problem. The purpose of the legislation was to allow taxpayers the same right to

petition out of an urban transportation district as Montana law gave them to petition in.

Friedrich Weber, 1505 Aspen, Missoula, supported Ms. Hathaway's statement and pointed out as an individual who used the bus service during the time offered that the service was very limited. The rides were only off hours and the ridership very low. People going to work and school and returning could not use the system.

OPPONENTS: Mark Donaghy, General Manager of Missoula Urban Transportation District (MUTD), stated he registered as an opponent mainly because he did not have a copy of the bill. He said from what was read in the newspapers he and the board of directors had great concern. The history as he had read from MUTD files and minutes of board meetings was that originally MUTD was opposed to extending service to the area because of problems associated with the extension of the current route. In minutes of a board meeting from several years back, the decision to annex was only based on representatives from the area wishing to be annexed with no guarantees of service to that area. Service was put in on a trial basis. It failed for lack of ridership and because of being infrequent.

Mr. Donaghy stressed their main concern which was to see that the district could not be dismantled in one form or another on a section by section basis. They had questions on how a territory could be defined. He heard the statement made that the language in the legislation stated the area would have had to be annexed for five years and hoped that would cover this situation.

There were no further proponents.

DISCUSSION (OR QUESTIONS) ON HOUSE BILL 253: Rep. Sales asked Lee Heiman if under the bill it read so the district could be broken apart piece by piece? He asked if you could go out to any area in the transportation district and get a 51 percent signature and have that area removed?

Mr. Heiman responded yes it did read that way in the bill.

Rep. Sales asked Rep. Ream if this was his intention?

Rep. Ream responded if an area was receiving service there would be no need to petition out of the district. His feeling was that the people that petition into the district do not do so to benefit others. The idea of petitioning in is to benefit the people in the area. If there is no service, they should be able to get out. The last subsection,

in the bill does have the five-year limitation having to do with indebtedness. He wasn't sure if Rep. Sales was concerned with the indebtedness or service.

Rep. Sales commented his concern was a district being ruined piece by piece. He said there wasn't anything in the bill that requires the area to have service or not. He said it appears that even those having service could submit a petition and withdraw.

Rep. Ream stated it was not in the bill but a transportation district could be created by 20 percent of the electors of a district, but it would take 50 percent to disband the district.

Rep. Wallin asked if it was assembled by district or if it was a complete transportation system and divisions were established afterwards into what are districts?

Rep. Ream responded it was one entire district for the urban area that goes out to the east to Bonner and to the Pulp Mill on the west part of town.

Rep. Wallin asked how the districts were established to withdraw if they were one total district to start with; how were the segments of the total district established to withdraw?

Rep. Ream thought it would be by petition process. The area would have to be defined. The same question would apply as to how you would add areas to the districts. An area would be drawn on the map and 51 percent of that area needed to get in.

Rep. Gould asked if it took 20 percent on a petition to get in, why should it not take 20 percent to get out?

Rep. Ream responded that was a whole other issue that he did not want to get into on this bill. That is for creation of a district. He said HB 253 was for just adding or deleting.

Rep. Sales asked if the 20 percent petition was to establish an election or if the petition allowed for set up of a district?

Lee Heiman responded there is a 20 percent petition to hold an election.

Rep. Darko asked as a point of clarification if 51 percent

of the people petition to get in then would the same 51 percent have to petition to get out?

Rep. Ream answered yes.

Rep. Kitselman wanted clarification as to what the established district is and if a small four block area of a district could say they are a district and get a 51 percent vote to get out.

Rep. Ream said within the five years, it would have to be the same area drawn on the map to petition to get out.

Rep. Kitselman had the same concern as Mr. Donaghy of small sections achieving the 51 percent needed to petition out of a district and doing so.

Rep. Ream stated the problem was with the many outlying areas; an example being Bonner and Milltown which are a long way from Missoula. If MUTD decided to discontinue service, these people would be paying for MUTD for the rest of their lives even though they are not within five miles of service.

Rep. Ream passed out a summary sheet which listed some arguments that could be used in opposition to the bill (Exhibit 3). In closing he stated if an urban transportation district is fulfilling the need then the taxpayers will not have this incentive to get out. He felt they would have a difficult time in achieving the 51 percent to get out with the safety measures in the bill. Rep. Ream felt the inequity has to be taken care of one way or another.

CONSIDERATION OF HB 277: Rep. Mary Ann Connelly, House District 8, sponsor of HB 277, stated the bill started with the federal FUI Task Force Program. The county commissioners started the program in 1981 in 18 counties. At the present time there are 23 task forces. They are required to document problems in their particular counties and determine needs such as education or enforcement. Rep. Connelly said a lot of the problems are addressed by volunteer groups without any problems at all. Some counties had the basic program already in place and used federal money for education and enforcement portions of the program. She stated that what they are asking is that there be a $50 reinstatement fee on drivers' licenses if someone is convicted of a DUI and their license revoked.

Exh #1 1-23-87
HB 253

Carolyn Hathaway
1502 Aspen Drive 728-8052 (home)
Missoula, Mt. 59802 728-3661 (work)

January 23, 1987

RE: TESTIMONY IN SUPPORT OF HB253 (Ream): To provide for the removal of territory from an urban transportation district upon petition of 51% of the qualified electors.

PURPOSE OF LEGISLATION:

1. To provide a mechanism for territory within an urban transportation district to de-annex.

January 22, 1986, Attorney General Mike Greeley wrote Missoula County Attorney Robert Deschamps (on request of Missoula's Urban Transportation District): "The Montana Legislature granted the power to form a transportation district, to enlarge it, and to dissolve it, but not the power to de-annex parts of it... Since there is no Montana law providing for de-annexation from urban transportation districts and there is no evidence of any legislative intent to allow de-annexation, it is my opinion that the transportation board has no power to de-annex a neighborhood which had previously been added to the urban transportation district." Statutes for other service districts, however, such as those for fire protection, do provide mechanisms for boundary changes.

2. To allow property taxpayers the same right to petition out of an urban transportation district as Montana law gave them to petition in.

The right to petition out is necessary because:

(1) the petitioning-in process does not allow for informed consent, as petition language does not inform potential signers that urban transportation districts are under no legal obligation to ever provide service, although successful petitioners are under a continual legal obligation to pay urban transportation district taxes and assume the district's financial obligations.

(2) when service can be discontinued indefinitely but the mill levy imposed continuously, urban transportation districts have no incentive to manage fairly, efficiently nor accountably: the taxpayers' money is guaranteed to flow in whether or not service is ever provided.

CASE HISTORY:

1. With encouragement from then Missoula Urban Transportation District (MUTD)'s manager, John Grew, and an estimate by him of an annual cost of bus service at $10, residents of Klapwyk Additions No. 2 and 3 (about 60 households two miles north of Missoula) petitioned into the district.

2. On November 16, 1983, minutes of the MUTD's Board of Directors meeting recorded: "Carol Berger moved to annex this area into the District and to determine service levels later. Pat Summers seconded the motion and it was passed by the Board."

3. On January 11, 1984, 5 routes were "borrowed" from the Lincolnwood subdivision's 21 daily routes. Lincolnwood is approximately 3/4 mile from the beginning of the Klapwyk Additions, past privately owned and fenced fields. A bus would pick up passengers at Lincolnwood's entrance and then continue north to make a short loop to pick up passengers in the Klapwyk Addition.

Although Klapwyk residents had asked that the 7:15 AM bus be re-routed, as this was the one needed to get to both work and school, Directors refused because 1 - 3 Lincolnwood riders would be inconvenienced by walking (on sidewalks) to a new bus stop. The 3:15 PM and 4:15 PM routes were also requested by Klapwyk residents, to get them home from work and school; these also were refused. Consequently, ridership in Klapwyk was low and MUTD discontinued service indefinitely.

4. Tax bills keep adding up, however. MUTD taxes for Klapwyk residents range between $25 - $57 annually, not the $10 that was estimated by MUTD's former manager. In less than three years, residents paid over $7,000 to MUTD with no bus service nor hope of service.

5. This situation is not unique. In Missoula, at least one other neighborhood is so affected: Weaver Village, a lower-income area where property owners can least afford additional taxes, particularly when no services are provided.

6. HB235 253 is designed to address this kind of inequity: taxation without service nor accountability from the taxing agency. HB235 corrects an oversight in existing law, and grants not only a right to petition, but a right to basic fairness, while still protecting the integrity of an established transportation district. The right to petition out without retaining district indebtedness is limited to those who were accepted into the district within five years of the date the petition for removal was presented to the transportation board.

Thank you.

Carolyn Hathaway

EX #2

WE SUPPORT HB253 SPONSORED BY BOB REAM: "TO PROVIDE FOR THE REMOVAL OF TERRITORY FROM AN URBAN TRANSPORTATION DISTRICT UPON PETITION OF 51% OF THE QUALIFIED ELECTORS. 253

Existing legislation only provides a process for territory to be included within a district via petition and for dissolution of an entire district. We believe that if an area petitions into a district, it should have the right to petition out, rather than to pay bus district taxes indefinitely when no service may ever be rendered (urban transportation districts now have no legal obligation to provide service for those who are paying taxes to the district). We believe that dissolution of the entire district, which is the taxpayer's only recourse, is not the best solution. Consequently we support HB253.

NAME	ADDRESS
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	4620 Juniper -- Missoula
[illegible]	4627 Juniper Dr. "
[illegible]	[illegible]
[illegible]	4737 Aspen Dr. Mola
[illegible]	[illegible]
[illegible]	4462 South Ca. Mola
Mr. & Mrs. [illegible]	4802 Aspen Dr. Mola
Mr & Mrs Richard [illegible]	4719 Aspen Dr. Mola
Mr & Mrs James L. Sayler	
Mr & Mrs Harry [illegible]	4716 Aspen Mola
[illegible]	4710 Aspen Dr. Mola.
Elmer D. Elliott	4700 Aspen Drive
[illegible]	[illegible]
Fred & Jeanette Canning Jr	4625 Aspen Dr
	1390 and Harrison

WE SUPPORT HB253 SPONSORED BY BOB REAM: "TO PROVIDE FOR THE REMOVAL OF TERRITORY FROM AN URBAN TRANSPORTATION DISTRICT UPON PETITION OF 51% OF THE QUALIFIED ELECTORS.

Existing legislation only provides a process for territory to be included within a district via petition and for dissolution of an entire district. We believe that if an area petitions into a district, it should have the right to petition out, rather than to pay bus district taxes indefinitely when no service may <u>ever</u> be rendered (urban transportation districts now have no legal obligation to provide service for those who are paying taxes to the district). We believe that dissolution of the entire district, which is the taxpayer's only recourse, is not the best solution. Consequently we support HB253.

NAME	ADDRESS
Carolyn Anne Hathaway	1502 Aspen Dr. Missoula 59802
James B Hathaway	1502 Aspen Drive, Mula. 59802
Crystal L Hall	4996 E Rattlesnake Mula 59802
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible] 543-8004
[illegible]	[illegible] 543-8004
[illegible]	[illegible] 59802
[illegible]	[illegible]
[illegible]	[illegible] 59802
[illegible]	[illegible]
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[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible] 59802
[illegible]	[illegible] Cottage 59802
[illegible]	[illegible] Mula. 59802
Robert [illegible]	[illegible]
[illegible]	[illegible]

HB 253

#3 DATE 1-23-87
HB 253

ARGUMENTS IN OPPOSITION TO HB253:

1. Loss of revenue will impact on service to other areas.

Rebuttal: When an area petitions into the district, it logically does not do so to benefit those already receiving service, but to benefit its own residents who are willing to pay for services rendered. If MUTD Directors voted to include the Klapwyk Additions into the district in order to benefit other areas, they were certainly not acting in good faith toward the petitioners.

2. Bus service is just that - a service to the community - and the community should be willing to pay for it whether or not individual taxpayers receive the service.

Rebuttal: If paying for bus service is a responsibility of all taxpayers, why hasn't the Legislature nor locally elected officials so decreed? Why did the Legislature set up a mechanism for petitioning into an urban transportation district rather than make inclusion mandatory, and everyone within the community liable for tax (and district indebtedness)?

3. Other areas, even those receiving service, would be able to petition out of the district, thereby weakening the district's ability to serve those whose only transportation is by bus.

Rebuttal: If the urban transportation district is fulfilling a need, which also raises the value of property whether or not a particular taxpayer uses public transportation, taxpayers have no incentive to petition out.

Also, since only property that was added to the district within five years of the date of petition (for removal) is free of district indebtedness, it is unlikely there will be any wholesale petitioning out of transportation districts.

If the problem is poor custodianship or bad management on the part of directors and managers, why should taxpayers be obliged to pay taxes and accept poor (or no) service?

CONCLUSION: HB253 both corrects an oversight in existing law and restores the democratic process: Montana residents, with faith in the basic fairness of publicly-supported service districts, should either be granted service or be allowed to seek relief from tax and debt thrust upon them.

VISITORS' REGISTER

LOCAL GOVERNMENT COMMITTEE

BILL NO. HB 253 DATE Jan. 23, 1987

SPONSOR Rep. Ream

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Carolyn Hathaway	Klepwyk additions 2+3	X	
James Hathaway	" " "	X	
Friedrich Weber	" " "	X	
MARK DONAGHY	MONTANA LINE		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

CONSIDERATION OF HOUSE BILL 320: Rep. Hansen, House District 57--Missoula, stated the bill asks that two copies be cut out of a technical code that is filed with the city or town clerk. Presently, the technical code is required to be copied with the county clerk. The reason for filing with the town clerk is so it will be available to the public; however, the public does not use it there but goes to the fire department or some other source. In cases where a copy of something is required, it could be done on a copier rather than having three copies published which is quite expensive for the city.

Alec Hansen, League of Cities and Towns, stated the bill would reduce confusion and possibly save some money. He said it is preferred to only have one copy in the possession of the clerk.

Rep. Sales stood in support of the bill.

OPPONENTS: None.

The hearing on HB 320 was closed.

DISPOSITION OF HOUSE BILL 320: Rep. Hansen moved to DO PASS HB 320. The question was called and the motion carried unanimously.

DISPOSITION OF HOUSE BILL 253: Rep. Gould, Chairman of the subcommittee appointed to propose an amendment to deal with the problem of petitioning in and out of a transportation district, reported that the subcommittee (Rep. Sales, Rep. Darko and Lee Heiman) had met. He felt they came up with an amendment that may help in future instances where people may want to attempt to annex into a transportation district (Exhibit 1). He asked Lee Heiman to explain the amendment.

Mr. Heiman stated the title amendment provided that "territory" be deleted and "areas" be used. He said a substitute bill was made amending the same sections amended in the original bill. It basically provided that any area added by petition may be removed by petition if the area does not directly receive transportation services and 51 percent of the qualified voters sign the petition to be removed. The rest of the bill was as it was introduced.

Rep. Gould moved to DO PASS HB 253. Rep. Gould moved to pass the amendments to HB 253.

Rep. Hoffman stated he had received correspondence on the bill which raised the question of an area petitioning out of a district which still received services.

Rep. Gould responded that the amendment explicitly states that an area in order to petition out of the district has to have lost service and had to have petitioned into the district originally.

Rep. Ramirez asked what it meant in the language "does not directly receive transportation services"?

Rep. Gould responded in the Rattlesnake area the people petitioned in and received services for a short time and then the service was taken out because of lack of ridership. The people in the area were still paying for the service on their property taxes and are now looking for a means to be able to petition out. Rep. Gould said the amendment might possibly make it so that areas might be able to petition in on a test basis for a year or two and if it does not work they could get out without being stuck paying the property tax for the transportation district.

Rep. Darko also responded saying it gives both parties a chance to work out some differences. If the transportation district knows they could lose some money they might be more ameniable to meeting the needs of the people. It will give a chance of interaction.

Rep. Ramirez asked for clarification and gave an example of three streets running parallel that petition into a district and receive service. The bus runs up the middle street and down the first street. The last street decides they want to petition out because of the service not running directly to their street and because of having to walk to the service. He asked if the one street could get out of the district?

Rep. Darko responded no, it would have to be the whole area.

The question was called on the amendments. The motion carried unanimously. Rep. Gould moved to DO PASS AS AMENDED HB 253. The question was called and the motion carried unanimously.

There being no further business to come before the committee, the meeting was adjourned at 1:50 p.m.

Rep. Norm Wallin, Chairman

EXHIBIT 4
DATE 2-2-87
HB 253

Amend House Bill No. 253, Introduced copy (white)
Subcommittee Proposal

1. Title, line 5.
Strike: "TERRITORY"
Insert: "CERTAIN PREVIOUSLY ADDED AREAS"

2. Title, lines 7 and 9.
Strike: "TERRITORY" two times on line 7 and on line 9
Insert: "AREA"

3. Pages 1 and 2.
Strike: everything following the enacting clause
Insert: "Section 1. Section 7-14-241, MCA, is amended to read:

"**7-14-241. Procedure to enlarge district.** (1) The boundaries of any transportation district may be enlarged if 51% of the qualified electors of the area to be added to the existing district sign a petition requesting addition to such district.

(2) However, each addition must be approved by a majority vote of the transportation board.

(b) The area added to a district pursuant to subsection 3 ~~(1)~~ may be removed if the area does not directly recieve transportation services from the district and 51% of the qualified voters in the area sign a petition requesting to be removed from the district. The removal of the area is effective 60 days after submission of the petition to the transportation board, unless within that time it is determinied that the petition contains insufficient signitures for removal of territory. An insufficient petition must be returned to the petitioners who may submit it again within 90 days.

4 ~~(3)~~(a) All property within any addition to the district shall be subject to all existing indebtedness of the district.

(b) Property within an area removed from the district is not subject to the district's existing indebtiness if the area had been added to the district within 5 years of the date the petition for removal was submitted to the transportation board."

XT01
WP\LEE\AMDHB253

50TH LEGISLATIVE SESSION
MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
MONTANA STATE SENATE

March 19, 1987

The twentieth meeting of the Local Government Committee was called to order by Chairman Bruce D. Crippen at 12:30 p.m. in Room 405 of the Capitol.

ROLL CALL: Members present were Senators Pinsoneault, Hirsch, Eck, Hammond, Vaughn, Harding and Crippen. Members who were excused for the first part of the meeting but arrived later were Senators Beck, Story and Walker.

The first order of business called by the Chairman was:

EXECUTIVE SESSION

ACTION ON HOUSE BILL 762: Senator Hammond moved House Bill 762 BE CONCURRED IN. The motion PASSED by a vote of 9 to 1, with the absent members having sent their votes to Karen Renne, the staff lawyer. The committee member casting the NO vote was Senator Walker.

ACTION ON HOUSE BILL 561: Exhibit 1 suggested an amendment by county clerks, and Exhibit 2 shows technical amendments suggested by MACo. Copies of each were distributed by Ms. Renne.

After discussion by the committee, Senator Story moved the committee ADOPT the amendment in Exhibit 1. He then WITHDREW his motion.

Senator Harding moved the amendments submitted by the County Clerks. The motion CARRIED with Senators Hirsch and Eck voting NO.

Senator Eck MOVED the MACo Amendments. The motion CARRIED UNANIMOUSLY.

Senator Story moved that AS AMENDED, HB 561 BE NOT CONCURRED IN. The motion PASSED by a vote of 8 to 2 with Senators Eck and Hammond voting NO.

would be a public hearing. Senator Crippen asked if that were deleted from the bill, would it adversely affect the remainder of the bill. Mr. MacKenzie said it would not, in his opinion.

Senator Crippen said the concern is that when landowners vote in an improvement, they do it in a certain way and it can be protested in that way. But, when the law is switched to a subjective standard, a refund can be effected by a public hearing.

Mr. MacKenzie recognized Senator Crippen's concern and said local governments have to conscientiously implement the law and change the assessment method only in cases when it is absolutely necessary to get out of a bad situation. In addition, the wishes of the majority of the property owners should be taken into consideration

Senator Walker asked if this bill would allow the change of assessment to the city on an individual basis. Mr. MacKensie said it would not, that it would only be available in the case of an entire district.

Senator Eck asked how important Section 6 was to local governments. Mr. MacKenzie said it wasn't that important to the totality of the bill, but it did give cities more flexibility to get out of a problem.

Senator Crippen asked if the method prescribed in Section 6 was carried out, would a protest follow along on the basis of assessed value. Mr. MacKenzie answered that it probably would.

In closing, Rep. Connelly commented that the committee might come up with an amendment to clarify Section 6, and that she would not object to removal of Section 5.

CONSIDERATION OF HOUSE BILL 253: Rep. Robert Ream, Missoula, House District 54, presented the bill to the committee. He said he sponsored the bill to allow the de-annexing of property from a urban transportation district in the same manner as it was placed into it -- by having 51% of the voters petition out of the district. The bill was a result of a specific problem in his area. The urban transportation district was formed in 1981 when a group of about 60 persons petitioned into the district. The cost was about $10 per property owner per year, but they thought it would be worth it to have the buses going through their area. The schedule was very poor and not during rush hours,

so there was little use of the bus, resulting in the elimination of the service. The residents feel they should not continue paying the mill levy (which has increased to $25-50 per year) for a service they no longer receive.

PROPONENTS: There were no proponents and Rep. Ream felt it was due to the heavy snow that had fallen. Senator Pinsoneault said this problem had occurred in part of his area and that he had letters urging support of this bill.

OPPONENTS: There were no opponents.

QUESTIONS FROM THE COMMITTEE: There were none.

In closing, Rep. Ream said he knew of another area in the state watching the outcome of this bill because the residents also wished to petition out of a transportation area. He urged support of the bill.

ACTION OF HOUSE BILL 253: Senator Pinsoneault moved that House Bill 253 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY. Senator Pinsoneault was assigned to carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 282: Rep. Earl Lory, Missoula, House District 59, sponsored the bill to authorize an urban transportation district to levy 1 mill of property tax for the provision of special transportation services for senior citizens and handicapped persons. He said transportation is provided financially by three agencies: Area Agency for Aging, the transportation district, and the county. This bill will allow the urban transportation district to assess 1 mill only on the area that would be served.

PROPONENTS: Due to the inclement weather, the majority of expected proponents were unable to come from Missoula.

Gordon Morris of the Montana Cities and Counties, said he would like to speak specifically for Cascade, Jefferson and Missoula Counties. There is presently allowed a 12 mill taxing jurisdiction, and this bill would increase that by 1 mill. He said the bill would relieve the counties because it is presently a county-wide tax appropriation. As only a part of the county would benefit, he felt it was inappropriate to tax the entire county.

OPPONENTS: There were no opponents.

STANDING COMMITTEE REPORT

March 19, 19 87

MR. PRESIDENT

We, your committee on Local Government

having had under consideration House Bill No. 253

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color

Ream (Pinsoneault)

WITHDRAWAL OF TERRITORY FROM URBAN TRANSPORTATION DISTRICT

Respectfully report as follows: That House Bill No. 253

BE CONCURRED IN

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Sen. Pinsoneault, Vice Chairman.